

July 2005

**U.S. Small Business Administration
Cleveland District Office**

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**July 2005 Newsletter
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**For More Information
SBA Home Page: www.sba.gov**

- SBA offices are located in all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam.
- For the office nearest you, look under "U.S. Government" in your telephone directory, or call the SBA Answer Desk.
- SBA Answer Desk:
1-800 U ASK SBA
- Fax: 202-205-7064
- E-mail: answerdesk@sba.gov
- TDD: 704-344-6640
- Your rights to regulatory fairness:
1-800-REG-FAIR

All of the SBA's programs and services are provided to the
public on a non-discriminatory basis.

FIVE HONORED FOR THEIR CONTRIBUTIONS TO SMALL BUSINESS

Thomas Shelley, founder and President of Universal Percussion, Inc. of Columbiana, Ohio, has been named **2005 Small Business Person of the Year** by the Cleveland District Office of the U. S. Small Business Administration (SBA).

In announcing the award, District Director **Gil Goldberg** stated, "Thomas Shelley is your classic entrepreneurial success story, demonstrating staying power through adversity, persevering to grow a very successful distribution company. It is with great pride that we offer our congratulations to Thomas Shelley on this well-deserved honor." Mr. Shelley was honored at an awards breakfast that took place at Windows on the River in Cleveland on May 13, 2005. A full article on Mr. Shelley's company can be found under the Success Story column of this newsletter.



SBA Cleveland District Director Gil Goldberg and Small Business Person of the Year Thomas Shelley

SBA also presented a special award to recognize an outstanding woman-owned small business. Sarah Littlefield, Executive Director of Townsend Learning Center, was presented SBA's Region V Women in Business Award 2005. SBA's Region V spans the five Midwestern states of Ohio, Illinois, Indiana, Michigan, Minnesota, and Wisconsin.

Mr. Goldberg noted that both awardees were judged on seven criteria: staying power; growth in number of employees; increase in sales and/or unit volume; strong current and past financial reports; innovativeness of product or service offered; response to adversity; and contributions by nominee to aid community-oriented projects.

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Small Business Awards

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SBA also honored several small business advocates with SBA Champion Awards. Awardees are individuals that have used their professional expertise or personal talents to further the understanding and awareness of small business. These individuals have taken an active role in creating opportunities for small business. This year's Champion awardees are:

SBA Region V, State of Ohio and Cleveland District Veteran Small Business Champion of the year: Cecilia Jaskolski of the Greater Cleveland Veterans Business Resource Council

SBA Cleveland District Minority Small Business Champion of the Year: Rotary Club of Cleveland

SBA Cleveland District Women in Business Champion of the Year: Roxie Ann Hill, Vice President of Small Business Banking, National City Bank

"This year we are delighted to recognize these awardees significant contributions to the small business community of Northern Ohio", Mr. Goldberg added. "They exemplify small business at its best."

The President of the United States designates one week each year as National Small Business Week in recognition of the small business community's contribution to the American economy.

This celebration honors the estimated 25 million small businesses in America that employ more than half the country's private work force, create 60 to 80 percent of net new jobs annually, and generate a majority of American innovations.

For more information about Small Business Week Awards, please call SBA's Cleveland District Office at (216) 522-4180. For more information about the national small business week celebration SBA Expo '05, visit the agency's site: www.sba.gov/expo. ♦

Heading into the Stretch Run...

The lending level for the Cleveland District Office continues to run at a record pace, up approximately 200% from where it was a year ago. The local increase continues to exceed both the Agency's national and regional increases. With our September 30 fiscal year end fast approaching, now is the time to book your SBA loans! The following is a table showing the lending activity of the top 5 participants in the district as of June 30, 2005:

| Bank | Number of Loans | Dollars (in thousands) |
|---------------------------|-----------------|------------------------|
| Charter One Bank | 1,471 | \$47,449 |
| National City Bank | 211 | \$26,930 |
| US Bank | 120 | \$8,449 |
| FirstMerit Bank | 117 | \$15,190 |
| Sky Bank | 107 | \$23,443 |

On the Lookout for 504 Loans...

Lenders remain active in the 504 program, but not at the same level as the 7(a) program. Given the uncertain interest rate environment, now's the time to take advantage of the 504 program! *The following are the top lenders in 504 through May 31, 2005:*

| Lender | Number of 504s |
|----------------------------|----------------|
| KeyBank | 19 |
| JPMorgan Chase Bank | 10 |
| FirstMerit Bank | 7 |
| National City Bank | 7 |
| Huntington Bank | 5 |

| CDC | Number of Approvals | Total (\$\$\$) of 504 Loans Approved |
|---|---------------------|--------------------------------------|
| Cascade Capital Corp | 18 | \$6,976,000 |
| Lake County SBAC | 17 | \$5,474,000 |
| Growth Capital Corp | 15 | \$6,080,000 |
| Mahoning Valley Econ. Dev. Corp. | 8 | \$4,034,000 |
| Lucas County Improvement Corp. | 8 | \$1,427,000 |
| Stark Dev. Board Finance Corp. | 6 | \$2,691,000 |
| Ohio Statewide Dev. Corp. | 2 | \$517,000 |
| West Central Partnership | 1 | \$491,000 |

**SAVE THE DATE:
SMALL BUSINESS
TRAINING SEMINAR**

Thursday, July 28, 2005
8:00 a.m. – 4:30 p.m.
SBA Cleveland District Office
1350 Euclid Ave., Cleveland
Lower Level Conference Rooms

You are invited to attend a FREE one day comprehensive seminar designed especially for small business executives who have been in business for at least six years. The seminar will feature:

Here are some of the business essentials you'll learn:

- Assessing the needs of your firm
- Improving business efficiency
- Avoiding legal pitfalls
- Making your employees more productive
- Crafting an action plan to shore up any deficiencies
- Techniques to increase your competitiveness in the marketplace

CONTACT:

Kathleen Doherty
Strategic & Learning Services, Inc.

To register by phone call toll free
(866) 827-3500.

Fax Number: (505) 813-0940

To register on-line:

<http://www.sls-7j.net>

**Cleveland District Office
Program Staff**

Gilbert B. Goldberg, District Director
Richard A. Lukich, District Counsel

Lender Relations:

James F. Donato, Manager and PIO
Timothy J. Ensich, Lender Relations Specialist
Mark C. Hansel, Lender Relations Specialist
Thomas R. Sangrik, Lender Relations Specialist

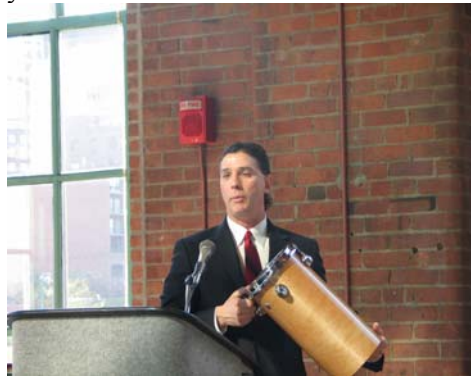
**Business & Economic Development
(Community Outreach):**

James M. Duffy, Manager
John R. Renner, Business Development Specialist
Sonya M. Wagasky, Business Development Specialist

SBA SUCCESS STORY: A PASSION FOR PERCUSSION

Many dream about making their passion or hobby into a career, but few actually make it happen. Tom Shelley, SBA Cleveland District Office's 2005 Small Business Person of the Year and President of Universal Percussion, Inc. of Columbiana, Ohio, is the exception to the rule. When he was just 18 years old, Tom's passion for drumming led him to start his own music store that has since grown into a multi-million dollar, international wholesaler of percussion instruments.

When he graduated from high school in 1976, Tom took his \$1,000 of savings that he had earned from playing gigs and opened up his own music store known as The Drum Shop. Tom never could have dreamed that his initial \$1,000 investment into that tiny 400 square foot retail store would grow into a multi-million dollar international wholesale business now entering its 30th year!



Universal Percussion, Inc.'s growth from a business that grossed just \$1,200 its first year did not come easily. Tom Shelley overcame many obstacles along the way, including several fires, major internal theft, two trademark infringement battles, and the sudden death of his father and business partner William Shelley. Despite these obstacles, Tom Shelley has successfully transformed his business from a small retail store known as The Drum Shop into Universal Percussion, which has managed to distinguish itself from many of its competitors by developing hundreds of its own unique, proprietary lines of products, including Attack drum heads and Wuhan cymbals and gongs. The company distributes its products throughout the U.S. and internationally.

The adversities encountered since Universal Percussion's inception have helped strengthen Tom's resolve, and the company continues to expand today. The company's 28,000 square foot facility in Columbiana, Ohio, originally constructed in 1998, is presently undergoing a 25,000 square foot expansion that is expected to be completed in the spring of 2005.

Tom thinks northeast Ohio is a great location for a mail order or distribution business. "There is no other location with as large a two day shipping radius as here", states Mr. Shelley. "Too many people get trapped in the negative 'rust belt' mentality to see the positives and the business growth going on around here." Tom attributes much of his company's success to his dedicated employees, most of which are drummers just like him. The company expects to add 10 more employees as part of the expansion. The expansion will bring the company's total employment to 40, which is quite a significant growth considering it started as a one man operation in 1976!

Tom's initial \$1,000 investment got him started, and the company received early financial support through several direct U.S. Small Business Administration (SBA) business loans. When no traditional financing came through the SBA was a lifeline for the fledgling company. SBA loans also came through in the early years when he needed funds to expand into new product lines.

Universal Percussion has come a long way since then. Tom proudly points out that his company has undertaken its current expansion without needing to take on any long-term debt. "Any business starting up or on the brink of an expansion should talk to SBA," states Mr. Shelley. "When traditional financing is unavailable, you'd be short-sighted not to explore SBA's financing options."

Tom Shelley has clearly done what most of us dream of doing – turning a passion into a successful career! ♦

Upcoming SBA Outreach

The Cleveland District Office conducts ongoing outreach events marketing the SBA loan programs. These sessions are targeted to both start-up and existing businesses that are seeking funding. There is no charge to attend, but pre-registration is encouraged. Here are the upcoming events:

| Date | City | Time | Contact | Location |
|---------|------------|-------------|-------------|--|
| 7/14/05 | Akron | 10:00-11:30 | Mark Hansel | Greater Akron Chamber One Cascade Plaza, 17 th Floor 330-375-2111 |
| 7/19/05 | Toledo | 10:00-11:30 | James Duffy | SBDC @ Toledo Chamber of Commerce 300 Madison Ave, 419-243-8191 |
| 7/20/05 | Youngstown | 10:00-12:00 | Tom Sangrik | SBDC @ YSU 241 Federal Plaza W 330-746-3350 |
| 7/21/05 | Cleveland | 10:00-12:00 | Tim Ensich | SBA Office 1350 Euclid Avenue, Suite 211 216-522-4180 |

Please contact our office at (216) 522-4180 if you have any questions about these or other upcoming events.

VALUED COLLEAGUES, FRIENDS TO SMALL BUSINESS, RETIRE AFTER A COMBINED 140 YEARS OF SERVICE TO SBA

Rosemary Darling, John Hogan, Sharon Salem, Pearl Parker and Lin Worley of SBA's Cleveland District Office, all retired from the Agency on May 31st after many years of accomplished service. Many of you knew our colleagues well and recognize the void that their departure will leave.



We know that you would like to join us in offering a great big THANK YOU to Rosemary, John, Sharon, Pearl and Lin for their many years of professional and dedicated service to small business, and wish them well in the next phase of their lives!!!

*SBA Cleveland District Director Gil Goldberg
congratulates and thanks veteran staff member
Rosemary Darling*